**UTAH MEDICAID REFORM BILL – S.B. 180**
**DISCUSSION OF 1115 WAIVER – MEDICAID REFORM PRINCIPLES**
**CLIENT FOCUS MEETING – CLIENT INCENTIVES FOR HEALTHY BEHAVIORS**
**APRIL 27, 2011 – CANNON HEALTH BUILDING ROOM 125**
**8:30-10:00 A.M.**

**Attendees:** Michael Hales, Representative Dean Sanpei, Jim Murray, Shanie Scott, Barbara Munoz, Lincoln Nehring, Russ Elbel, Vicky Wilson, Gordon Crabtree, Alan Pruhs, Lisa Nichols, Kevin Moffitt, Kirsten Stewart, Emma Chacon, Stan Smith, Barb Viskochil, Aaron Eliason, Jesse Liddell, Brent Clayton, Ed Dieringer, Kolbi Young, John Curless, Lisa Fallert, Todd Wood, Leisa Maltess, Robbie Mims, Adrian Corollo, Amy Bingham, Sheila Walsh-McDonald, Judi Hilman, Gayle Coombs

Michael called the meeting to order at 8:35 a.m. He explained what today's meeting is about. A big part of this reform is client accountability. We want to see if we can give incentives for the clients to be getting good services and participate more in their care.

Shanie Scott then explained the programs that are going on nationally for healthy incentives. She passed out some handouts in regard to this. In looking at all of the information, she said about half of the states have started this kind of program or are in the process of doing it. Idaho and Florida are leading the states in success with this program. She mentioned the different incentives these states are using. She again said these programs are new and they are not being utilized as much as they had hoped. They are looking at why clients are not using these incentives.

Shanie mentioned different things that she has looked at to help Utah be successful in this program. The first study she talked about was the CDSMP Program, which is the Chronic Disease Self-Management Program. She explained one of the programs that she was looking at that would require the clients to have 17 hours of education in regard to it. After studying this program for two years, they found that the clients were healthier and reduced their cost per patient due to them utilizing fewer health care services. It was really a successful study. Shanie said we have to look at a person's lack of education and how they are managing their health when we try to set up this program. She mentioned different things that could be used as part of the training to help clients learn how to shop and become healthy. The programs have to do early education and offer incentives. Then, if the incentives are working, you need to continue these incentives with the clients and have different tiers of the incentives. We don't want to punish people for not going along with the incentives.

Shanie then mentioned another program they looked at that really engaged the client in looking at their incentives. This program would be developed within their ACO. She mentioned how this process trains clients to help themselves.

Shanie said that Wisconsin is really doing some innovative stuff in regard to this. They offered grants to five different programs to come up with a grant and for the state to look at it to see which would help the clients the best. The largest part of this was found that education up front is important. They need to have the clients become a partner with their care provider. She said that is something else we could look at.

Sheila Walsh-McDonald had a comment about the goal reaching plan. The goal setting was more a collaborative process between the provider and the client to help the client take control of their health.

Lincoln Nehring had a question about the healthy living grant that Wisconsin had and the incentives that were offered. Shanie said they need to develop a health literacy campaign and need to incorporate education that was offered in

regard to this. Shanie said a lot of data has not been released in regard to these programs. She did not know if incentives had really been offered. This was a pilot program that has yet to be seen.

Gordon Crabtree had a question in regard to the 17 hours of training that the clients had to take. Shanie explained how this training was offered in a broad array around the community. This program was just to educate the population and see if it improved the client's knowledge of their involvement in their own program. She said there were a lot of positive results that came out of this.

Russ Elbel explained how they already run the Stanford program and the different incentives they are looking at. Shanie said this program could be included with incentives.

Shanie then mentioned some guidelines that were out by Thomas Reuters in regard to this. One of the things mentioned is that they are really encouraging a carrot approach, not a stick approach. She mentioned how some of these things can have a negative effect on mental health care.

In West Virginia, there were actually mandatory enrollment groups. They decided that as of June 1, having multiple Medicaid programs for children is not allowed. The benefits were lower than Traditional Medicaid programs and they were limited to four prescriptions per month. They want to make sure that children are not penalized during this.

Lincoln said CMS has said that they will not allow the stick approach.

Shanie mentioned that Wisconsin had a focus group that decided what the results of their program would be and to find out what would be most effective for the client. They want to find a way to build a good incentives program for this population.

Shanie mentioned different things that she felt should be written into the grant. She again mentioned that Utah should partner with the Managed Health Care plans to come up with this grant.

Blake Anderson mentioned that a grant is the right way to go but since we have to have this ready to present to the Legislature by June 1st, we really need to come up with some incentives that would be successful.

Judi Hilman mentioned some incentives that would not require an 1115 Waiver. Blake asked how intensive is this education? He said we need something we can do now. Shanie said there are costs that she can provide of the programs offered in other states. She said she feels the best thing for Utah to do would be to pull from some of these programs that are already being offered and then create a program between clients and providers. Lincoln said he feels the health plans would be more interested in a program that they could develop and control themselves.

Russ Elbel mentioned some information he sent to Michael Hales in regard to cash incentives and would any of these require a waiver. Judi said you would need a waiver for cash incentives. Shanie said she did not think there was a requirement to get a waiver for a cash incentive. But, if you are limiting benefits, are you limiting the benefits because of this? Judi mentioned why you would need a waiver in regard to some of these things. Russ asked if you would need a waiver to offer an enhanced benefit. Judi again mentioned different reasons they should have to submit a waiver.

Blake said you have to address comparability benefits as well. He mentioned how Medicaid offers a lot of optional services. Blake said if we do err in this, we want to err on the side of a positive approach. Utah does have a Medically Needy program where some states do not. Blake said we need to decide what we need this waiver for and what services will be provided. He said we could push back on the educational values that the plans have. He said we need to know what the plans are willing and able to do in regard to this.

It was mentioned that the plans have done incentives to increase behaviors already. They have not seen any behavioral change as a result of these incentives.

Shanie said that anything we build, we need to make sure that clients are aware of these incentives. Gordon had some comments. He said we need guidance on offering things that will not become politically unacceptable.

Judi said she was hoping that we could build the incentives into the contracted program. She said she feels the clients need to be able to review the plans and then pick their own plan. Judi had some comments about designing the incentive program to get us to a more competitive place in our program. It was mentioned that the success of the program and cost benefits would have to be tracked in this program. Judi mentioned some things that other states are doing in regard to this. But, with this program, they have received no results. There is nothing in place in Idaho to track this program.

Some comments were made in regard to programs for smoking cessation. Shanie mentioned that we will not see savings on any of these programs right away. She said usually it takes a two to five-year study to see if there is any kind of good results and savings from the program. It was mentioned that long-term studies need to be done. Short-term studies don't get a lot of results.

Judi mentioned that we would need a Legislative champion in the Legislature to keep an eye on this. Representative Sanpei made some comments on this. He said that the Legislature usually does not see a savings when they do something like this but see more costs. Representative Sanpei said the Accountable Care organizations (ACO's) will have to be able to identify the more expensive groups to work with. He said they want the plans to be able to do this. They need to be able to figure out their populations they will focus on. Representative Sanpei said we need to decide what we need for the waiver. Then later, we will decide what we dictate to the State for this.

There were some questions as to whether we would need a waiver to do incentives or not. Michael Hales said we would probably not need a waiver in order to waive co-pays. This was in response to a question from Russ. Michael said that anything we spend money on, we need to make sure that we have approval from the Legislature to do this. We would need a waiver or a State Plan Amendment (SPA).

Blake said we have decided that we are in favor of incentives. We want to focus on chronic kinds of conditions. We want the health plans to do this and focus on these people. There will be an educational component as part of this. This would be part of the enrollment process. Blake said we could put in the waiver that we allow the ACOs to waive a co-pay. He said this is the structure he would recommend.

Judi felt we should use something that would have an extra incentive for the health plans if they do this. Representative Sanpei said that he feels that the incentive for the plans to do this would be if they are effective. If it is not effective, then the plans would not do it. Gordon asked what the incentive would be for someone to follow through and see the accomplishments and results of this.

Shanie again said she thinks we need to look at what Wisconsin is doing and look at the different groups that were written into the incentive plan. She mentioned the different populations Wisconsin had focused on. She said Utah needs to decide who they want to target with this.

Aaron Eliason said the flexibility for a plan to provide incentives should be part of the waiver but mentioned different things that need to be considered as part of this. He mentioned different things that he feels should be left to the discretion of the health plans.

Shanie said she feels the state needs to clarify why they want to do this waiver. She said what is our overall goal to have a cost incentive program?

Sheila Walsh-McDonald said she would like the plans to be able to utilize the plans out in the community that are already moving forward. She said she feels they need to think clearly on what they want in regard to their costs and partnerships.

It was mentioned that you can't change patient behavior without changing provider behavior. A representative from Select Health had some comments and mentioned even being able to get in touch with their clients to provide the education and follow-up. She asked if we can pick up coverage for cell phone services in regard to this. Lincoln mentioned that he feels the people should have 12-month continuous eligibility in the programs.

Michael said if we are looking at cash incentives, we would need to maximize how much money we would allow. For a cash incentive, Michael said we would need to decide what the maximum would be. Judi mentioned having cell phone companies, etc., donating things to help with this. Michael said up front we are going to need to decide on the maximum that will be allowed. Gordon mentioned that there would definitely have to be parameters in regard to this. Shanie mentioned encouraging the plans to come up with their own incentives.

Lisa Nichols mentioned that HIPPA sets guidelines around health incentives. She also mentioned the equity of the benefit. She said if you do more, does that create payment equity issues. Michael said he did not think we would have to address that in the waiver. He said that initially he would not think that would be a problem.

Michael mentioned the different things we are taking into consideration as we work with the actuaries on this. He again said do we want to offer cash incentives or offer non-mandatory services. These are the things we need to look at. Michael mentioned the flexibility that they want to be sure is offered in the waiver. Different things to be considered in regard to benefits for the clients were mentioned. Judi said there is a goal in here that goes along with the healthy incentives.

The meeting adjourned at 10:05 a.m.